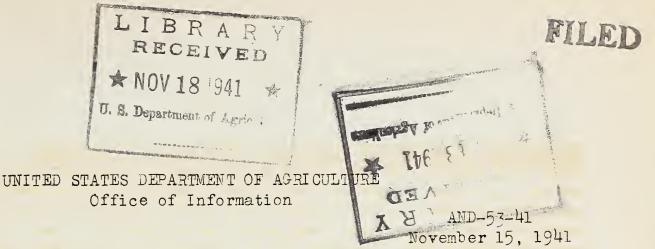
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AGRICULTURE AND NATIONAL DEFENSE

PAST THE TURNING POINT: Decisive action of OPM in general and SPAB in particular during past four weeks marks definite change in defense program. The word defense, in fact, is rather a passive term to use in describing the present national effort. General attitude of Government leaders is that we cannot produce all of the things that we want and crush Hitlerism at the same time. The obvious choice has been made.

RESULTS: Recent announcement that tank production had been doubled is first of a series of sensational step-ups in production of war items. This is the tentative kick-off on a "Victory" campaign. Announcements will soon be made on further expansion of airplanes, and in the manufacture of explosives. Pressure will be applied to obtain more of the raw materials needed for war items, and tremendous increases in steel production -- particularly in the west coast region -- soon will be announced.

WHAT WILL THIS MEAN? Some idea of the impact already is becoming apparent. SPAB announced four weeks ago that auto production would be curtailed 48 percent. Similar cuts have been announced for such items as refrigorators, stoves, radios, etc. Brightwork will be largely eliminated from new autos after January 1. Little chrome or stainless steel. Use of copper has been sharply curtailed in more than 100 manufactured items, and will be completely eliminated by January 1. This is only the beginning. As the "Victory" campaign gets into full sway even items which we now think necessary to defense will be difficult to obtain.

DECISION HAS BEEN MADE BY OPM to supplement all priority ratings with allocations (allocations for farm machinery announced some weeks ago was first major move in this direction). The word allocation is just a nice name for rationing.

HOW WILL THE STEP-UP AFFECT FARMERS? If the Office of Agricultural Defense Relations could draw a blueprint, they would do it. Right now, no one can conceive the possible impacts which will be brought about by the accelerated defense program at a time when many farm supply items are already short.

ONE GOLDEN OPPORTUNITY SHOULD NOT BE OVERLOOKED. The farm machinery repair program is now in the hands of the Defense Boards. We are getting the metal allocated for repairs to put agricultural machinery in A-1 working condition. Defense Boards cannot overemphasize the importance of getting this job done NOW.

WIDESPREAD UNEMPLOYMENT BECAUSE OF SHORTAGES OF MATERIALS is not developing. This is a bright spot for labor because non-defense workers are apparently making the shift to defense jobs with a minimum of dislocation. This is particularly true in the Detroit area where widespread unemployment was predicted the moment auto production was curtailed. Even silk hosiery workers are now almost fully employed in the manufacture of such items as parachutes, powder bags, etc. This dims the hope that many farm laborers shifting to industry in recent months would be once more available on the farm.

OADR HAS OBTAINED AN AMENDMENT to the repair order to include irrigation equipment for either publicly or privately owned irrigation districts. This includes repairs for such items as power shovels, draglines, weirs, pumps, etc. New order has a priority rating of A-10, the same as other farm machinery repair parts.

DEPARTMENT COMMITTEE ON FERTILIZERS IS WORKING WITH FERTILIZER INDUSTRY ON WAYS and means to save transportation costs and bagging in getting the fertilizer to the farm. Next year's fertilizer may average higher in analysis as this is simplest means of eliminating the large quantity of inert matter in low analysis fertilizers if problems can be worked out. The fertilizer outlook remains unchanged. Situation will be close for nitrates and phosphates but fairly easy for potash.